

SNAPSHOT

Special Issue

OFFICE OF WORK & FAMILY LIFE

DEPARTMENT OF WORKFORCE SERVICES

3RD QUARTER 2006

OFFICE OF CHILD CARE ANNUAL REPORT

VISION: Quality, affordable child care is available to every child in Utah who needs it.

MISSION: To provide information, resources and support to help improve the economic stability and well being of Utah children and families.

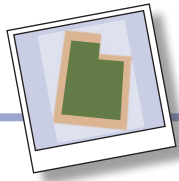
WHAT WE DO

Child care is a topic of importance to families, early care providers, school age providers and policy makers. Interest in assuring a quality system of child care has intensified because the availability of affordable, quality child care is directly linked to economic and social benefits for the state. Parents can work, employers can fill jobs, the tax base can grow and our children's needs for nurturance, supervision, socialization and intellectual stimulation are met when an adequate supply of quality child care is available.

The Office of Child Care (OCC) has continued to make progress over the past year to develop and implement initiatives to assure children and families receive the supports they need within their own communities. Each of the OCC programs integrates aspects of these common goals:

- To help ensure our children grow up safe, healthy, and confident;
- To ensure our children in child care are engaged in developmentally appropriate activities;
- To ensure our children enter school ready to learn and succeed;
- To inform communities of their child care resources;
- To support families in becoming self-reliant and contributing to their community and state economy; and
- To optimize all available funding sources





The Child Care Dilemma

The child care dilemma is defined as the challenge to achieve high **quality**, adequate **supply**, and reasonable **affordability** of child care. These three factors represent interdependent dimensions of an intricate child care support system.

Nearly all American children will attend a child care program at some point before entering kindergarten. Additionally, convincing evidence from several notable large-scale studies shows that high quality child care experiences in the early years contribute to long-term positive academic, social, and emotional outcomes for children. Unfortunately, only a small percentage of our children have access to high quality care.¹

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FUTURE SNAPSHOTS IN THIS SERIES

Details of the Afterschool Needs Assessment Study results (4th Quarter 2006)
Utah's Early Learning Guidelines (1st Quarter 2007)

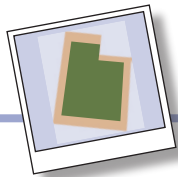
The Baby Steps Program (2nd Quarter 2007)
2007 Office of Child Care Annual Report (3rd Quarter 2007)

SNAPSHOT

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ECONOMIC IMPACT

Evidence of the link between an adequate supply of quality child care and the state's economy is ample. Last year, OCC commissioned a study on the economic impact of child care. BBC Research & Consulting provided an extensive report on the state of child care in Utah—its supply, demand, and effect on Utah's economy. This independent report clearly illustrates the need for high quality child care in Utah.

HIGHLIGHTS: ²

- A major contributor to Utah's economy, the child care industry has an estimated ripple effect on Utah business of **\$820 million** and **40,000 jobs**.
- Across Utah, availability of regulated child care **increases the gross earnings** of the labor force by about **\$480 million** per year, because the availability of high quality child care helps **reduce employee absenteeism and turnover**.

OUTLOOK:

- Careful academic research demonstrates that tax dollars spent on early childhood development provide extraordinary returns compared with investments in the public, and even private, sector. The potential return from a focused, high-quality early childhood development program is as high as 16 percent per year.³
- Children in high-quality child care demonstrate greater mathematical ability, greater thinking and attention skills, and display fewer behavioral problems than children in lower-quality care.⁴ They stay in school and perform better academically.⁵ As a result, later in life, instead of being a burden on the economy, they are a boon to it.
- Access to child care allows parents to stay at work and stay off the welfare rolls. Nearly half the people using paid child care in Utah say they would have to reduce their work hours or quit altogether if paid child care were not available.
- "With Utah's unemployment rate in the low 3-percent range, restricted labor availability becomes more and more of a potential issue to the economy. Social actions that reduce labor force barriers and encourage additional labor force participation, such as activities to address child care issues, are positive moves in this tight of a labor market." – *Mark Knold, Senior Economist, Department of Workforce Services*

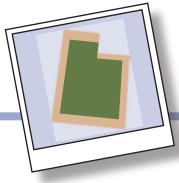
Economic Development begins early:

"Persuasive economic research...shows that by investing in early childhood education, governments...can reap extraordinarily high economic returns, benefits that are low-risk and long-lived."

– *Early Childhood Development on a Large Scale,*
Federal Reserve Bank of Minneapolis

A cost-benefit analysis indicated that for every one dollar invested in the child care industry, there is as much as a seventeen dollar return for the economy.⁶

\$1 → \$17



QUALITY

All children need quality care, whether at home with a parent, being cared for by a relative, in a child care setting, or in an after school program setting. **Quality care is care that promotes the optimal growth and development of children.** Aspects of quality care include:

- Warm, sensitive and responsive interactions between a well-educated caregiver and a child
- Stable, consistent relationships with a limited number of caregivers
- Safe and supportive physical environments
- Adequate nutrition and protection of children's health
- Stimulating activities which support learning through play
- Protecting children's health and safety through licensing regulation

HIGHLIGHTS

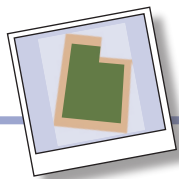
- Nearly **300** grants awarded to child care providers in FY06 to provide materials, training, and technical assistance. This money helped improve the quality of care and increase the supply of child care spaces.
- More than **6,200** Career Ladder Awards were provided to child care providers in FY06 for completion of training and professional development achievements. Additionally, nearly **700** Training & Longevity Supplement Awards (a wage enhancement supplement) were provided to child care providers for continuous licensed experience and Career Ladder achievements.
- During the past year, **63,335** hours of low cost training was accessed by child care providers to enhance their professional development and program quality. That's the equivalent of more than **30** years of 40-hour workweeks.
- New child care center rules established by the Department of Health - Child Care Licensing. The new rules will be enacted December 30th, 2006, and statewide training in the new rules will be offered to child care providers.

OUTLOOK

- The quality of child care is directly tied to how well child care providers are trained. Likewise, professional recognition is important in reducing turnover among providers, which in turn affects quality. About half of child care professionals in Utah report lack of professional respect as an occupational challenge.⁷
- Child care wages in Utah rank **433rd** out of 435 employment sectors in the state. Research indicates that there is a strong correlation between caregiver pay and the quality of care provided. This is often because better pay means reduced turnover, providing more stability for children.
- As child care quality initiatives continue to evolve in Utah, the Office of Child Care recommends continuing our successful partnership with the Child Care Professional Development Institute, to improve the training and professional standing of child care providers in Utah. As provider rates increase, and caregivers can get raises, retention improves—and that means better quality care for our children.

Professional Development = \$

Cindy works full time as a caregiver. She makes \$7.50 an hour. Over the course of a year, she earns an additional \$1000 in Career Ladder and Training & Longevity Supplements. Now her hourly pay calculates to **\$7.98 an hour!**



SUPPLY

The state's supply of child care is defined as the total number of regulated child care spaces. In Utah, demand typically exceeds the supply, requiring an increase in the number of available child care spaces.

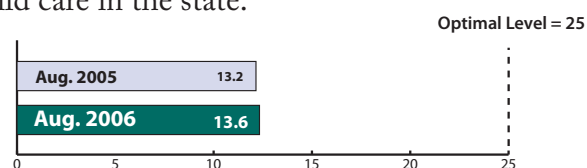
HIGHLIGHTS

- Office of Child Care partnered with the Davis and Granite School Districts to draw down more than \$3.4 million in federal money at **no cost** to the State. Additional quality funds generated by this arrangement went toward the *Youth Connections* grant, a program that increases the number of afterschool programs in the state. *Youth Connections* grants helped fund an additional **18** afterschool programs in FY06.
- Grants:
 - **59** *Youth Connections* grants awarded to create or maintain afterschool spaces. Afterschool programs funded by *Youth Connections* enrolled more than **8,400** children in FY06, with about a quarter of them attending every day.
 - **66** Baby Steps grants awarded to create or maintain infant/toddler spaces. Baby Steps grants helped maintain or create spaces for approximately **850** infants and toddlers.
- Utah's Child Care Resource & Referral agencies made **25,430** individualized referrals for Utah families in FY06. That's about 500 referrals a week.
- More than **500** Start-up Grants awarded in FY06 to increase the availability of child care through new provider support, resources and training.

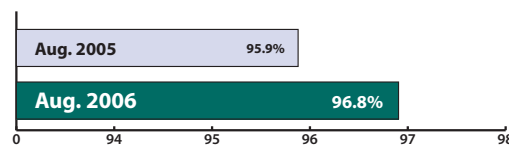
OUTLOOK

An analysis of the latest employment figures for Utah, when compared to licensing data and needs assessment data, indicates a quantifiable supply-and-demand problem for child care in the state:

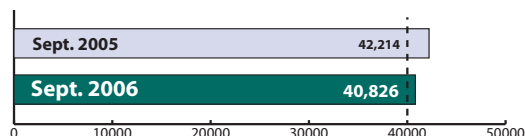
- Every year, the OCC child care needs assessment data shows a need for infant/toddler and school-age spaces. OCC recommends **25** spaces per 100 children (by age group). Currently, there are less than **14** Infant/Toddler and Afterschool spaces per 100 children.
- Utah's employment rate has *increased* over the past year, from 95.9% employment to 96.8% employment (generally indicating a greater demand for child care).
- The actual number of available child care spaces has *decreased*.



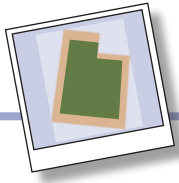
Need for Infant/Toddler and Afterschool Spaces



Utah Employment Rate



Total Regulated Child Care Spaces in Utah



AFFORDABILITY

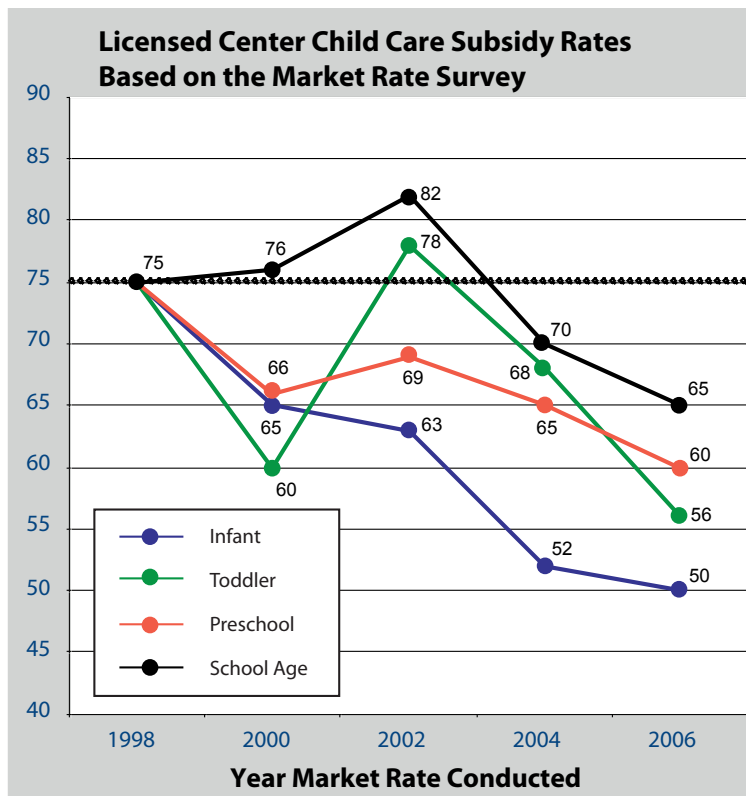
Affordability relates to the ability of Utah parents to pay for the child care services they need. Affordability is key because if parents cannot afford to pay for child care they are forced to choose either poor quality child care or not working at all. This dilemma creates a choice that is either a detriment to children, or a detriment to the economy.

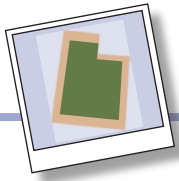
SUBSIDY: A component of affordability

- Parents pay for child care either outright, or through a combination of subsidy and out-of-pocket expense. Of about 42,000 regulated child care spaces, only about 7,000 are paid for with support from subsidy.
- According to Child Care Development Fund regulations, states are required to conduct a Local Market Rate Survey every two years to determine how their payment rates compare to the child care market. Such a study was conducted in FY06.
- The Child Care Bureau has suggested a benchmark of the 75th percentile when establishing subsidy rates. The 75th percentile is regarded as providing parents equal access to child care settings. The current subsidy rate (established in 2001) is well below the 75th percentile for all child care age groups. (See graphs, below.)

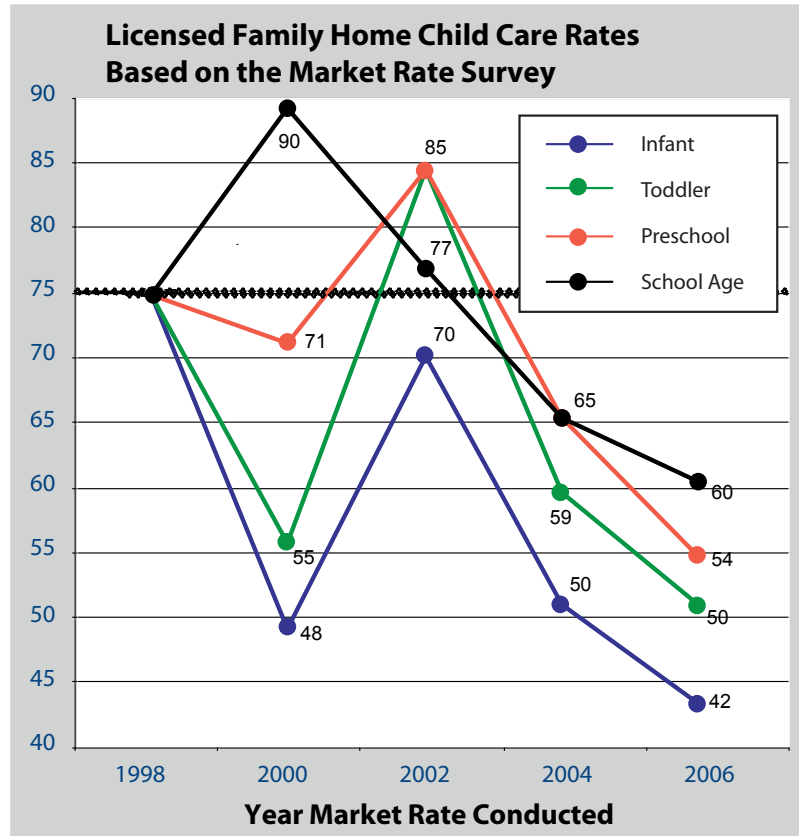
HIGHLIGHTS

- The process of child care subsidy eligibility verification and re-determination is now **more convenient**—only done twice yearly instead of four times a year for about 85% of cases. This **reduces** the workload and associated expenses.
- **Timeliness** of Child Care Subsidy determinations improved over last year, from 92% to 94% (well above the FY06 goal of 88%)





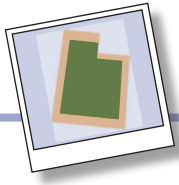
- The Provider Help Line answered **7,165** calls during the last fiscal year. That's about 140 call a week.
- **Ten** small group trainings were held for providers in the past year, focusing on child care eligibility processes and other policy issues.



Example: the subsidy level for Family Home Child Care rates shows that parents with infants can only afford to take their children to 42% of providers—leaving 58% of providers inaccessible.

OUTLOOK

The Office of Child Care recommends optimizing all available funding resources, both public and private, in order to draw down all federal child care matching funds.



LINKS

For more information on the **Office of Child Care**, please visit: jobs.utah.gov/occ.

- For the complete **Local Child Care Market Rate Study**, please visit:
jobs.utah.gov/occ/MarketRate06.pdf
- For the complete **2006 Child Care Needs Assessment**, please visit:
jobs.utah.gov/occ/ForProviders/data/NeedsAssessmentNotesTables.pdf
- For the complete **Child Care Economic Impact Study**, please visit:
jobs.utah.gov/occ/ForProviders/data/ccimpact.pdf
- For more information on **Utah's Child Care Resource & Referral** agencies, please visit:
jobs.utah.gov/occ/CCRandR

For more information on the **Child Care Professional Development Institute**, please visit:

www.slcc.edu/ccpd

For information on **Child Care Licensing**, please visit:

www.health.utah.gov/licensing

For footnotes to items referenced in this report, please visit:

jobs.utah.gov/occ/DataStatistics/References06.pdf

Questions about this document?
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